

# South Carolina Board of Economic Advisors

## Statement of Estimated State Revenue Impact

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**Date:** May 4, 2007

**Bill Number:** S. B. 493

**Author:** Ryberg

**Committee Requesting Impact:** Senate Transportation

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### Bill Summary

A bill to amend Chapter 3, Title 56 of the 1976 Code, to provide that the Department of Motor Vehicles (DMV) may issue Operation Desert Storm-Desert Shield Veterans license plates, Operation Enduring Freedom Veterans license plates, and Operation Iraqi Freedom Veterans license plates.

### REVENUE IMPACT <sup>1/</sup>

This bill is expected to raise DMV earmarked funds by \$11,400, and also raise Motor Vehicle License revenues within the state General Fund by \$12,600 in FY 2007-08.

### Explanation

This bill authorizes DMV to issue three, new special license plates to those United States military veterans with verifiable service in following campaigns: Operation Desert Storm-Desert Shield, Operation Enduring Freedom and Operation Iraqi Freedom. A special fee of \$20 applies to each plate series and is in addition to the regular (\$24/auto or \$30/truck) biennial registration fee. A minimum of 400 paid applications for the plate or a deposit of \$4,000 and a marketing plan approved by DMV is required for production. Special fee proceeds, net of production costs retained by DMV, go to the state General Fund.

Based on minimum sales of 400 tags in the initial year, at \$20 each, we expect a gross yield of \$8,000 in special fees per series. Multiplying three times \$8,000 yields a total of \$24,000 in special fees from all three series in FY 2007-08. Of this amount, DMV would receive \$11,400 for production costs, based on an estimate of \$9.50 per plate. The balance of \$12,600 would go to Motor Vehicle Licenses within the state General Fund.

**Analyst:** Di Biase

/s/ William C. Gillespie

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<sup>1/</sup> This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).